



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Governor

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Salt Lake City, Utah 84180-1203
801-538-5340

June 11, 1991

Mr. Norman Haslem
Mining Superintendent
Ziegler Chemical & Mineral Corporation
Star Route
Vernal, Utah 84078

Dear Mr. Haslem:

Re: Reclamation Surety, Ziegler Chemical & Mineral Corporation,
Gilsonite Mine M/047/013, Uintah County, Utah

The Division of Oil, Gas and Mining (Division) received an Irrevocable Clean Letter of Credit _____ in the amount of \$69,100 from National Westminster Bank USA on May 24, 1991. This Letter of Credit (LOC) had an expiration date of June 30, 1991. A phone call was placed to Martha Stark, of National Westminster Bank, for clarification of the expiration date. She explained that the date should have been in 1992, and she would initiate the necessary corrections. On May 31, 1991, the Division received an amendment to LOC _____ which extended the expiration date to May 20, 1992. With this surety in place, Ziegler Chemical & Mineral has now satisfied the requirements of the Division letter dated May 8, 1991.

This reclamation surety is due for its five-year review in 1992. At that time, the Division will review the reclamation cost estimate for accuracy and adequacy. If the surety needs to be changed, the Division will be required to present the new amount and form of surety to the Board of Oil, Gas and Mining for approval. A surety with a renewable term of five years will be preferred to a surety with a renewable term of one year.

Thank you for your attention in this matter. Please contact me, Wayne Hedberg or Tony Gallegos of my staff if you have any questions regarding this matter.

Sincerely,

Lowell P. Braxton
Associate Director, Mining

jb

cc: Jerry Mansfield, State Lands
M047013.1